

COMMISSION MEETING MINUTES
July 10, 2002

COMMISSION MEMBERS PRESENT:

Mike Kennedy
Sylvia Kiel
Ralph Komasinski
Alfonso Lerma, Jr.
Peggi Little
Betty Martin
Dr. J. Douglas Nelson
Katherine Startin

COMMISSION MEMBERS ABSENT:

Thomas Borne
Steven Campbell
Amy Clem

Chairman Sylvia Kiel called the meeting to order at 1:05 p.m. The meeting was held at Indiana University-Purdue University Columbus (IUPUC), 4601 Central Avenue, Columbus, Indiana.

Chair Kiel announced that a quorum of the Commission members were in attendance. A motion was made and unanimously approved to accept the minutes of the Commission meeting of March 13, 2002.

The Chairman introduced SSACI's newest Commission member, Ms. Peggi Little, who will represent the Sixth Congressional District. Chairman Kiel announced that Thomas K. Borne was recently appointed to the commission to represent the Fourth Congressional District. Mr. Borne plans to be in attendance at the next meeting.

Chairman called on Mr. David Perlini to present his Executive Director's report. Mr. Perlini mentioned that the second half of the current biennium budget remained relatively unscathed with approximately \$3 million dollars of our reserve funds having been rescinded to meet state budget reductions. As a result, the award methodology used in the past would be applied for next year with no reductions in grant awards. Mr. Perlini stated that compared to the significant budget cuts imposed on other segments of higher education and state government in general, SSACI fared very well. Mr. Perlini said that student commissioner Amy Clem has graduated and will be moving off the commission. The selection process for the student commissioner member replacement is underway.

Chairman Kiel asked Nick Vesper to speak about the 2002-2003 budget status. Mr. Vesper said that SSACI had to revert \$350,000 in the part-time grant program to the general fund but no reversions were requested for the Higher Education Award, Twenty-first Century or Freedom of Choice Grant programs. Mr. Vesper said that in 2003 the agency will spend about \$122 million thanks to the reserves build up in the programs each year in order to deal with funding fluctuations. He said spending for the Child of Veteran and Public Safety Officer Supplemental

Grant Program (CVO) will approximate \$12.8 million, \$2 million for the National Guard program, and close to \$5 million for the Part-time program. Mr. Vesper stated the agency will likely carry over about \$7 million, which will enable SSACI to maintain its award methodology for next year. Mr. Vesper referred to the spreadsheet included in the agenda packets which stated that the agency made offers for 2002-2003 of \$150.5 million in HEA, \$54 million in FOC and close to \$18 million in Twenty-first Century program. He noted that based on the historical usage risks the agency should have money left at the end of this year carried over to the next biennium. Mr. Vesper said if those risk factors are higher than estimated, then the agency could have a potential funding problem. Mr. Vesper stated if the risk factors are lower, then they will produce a better base for the next biennium budget.

Chairman Kiel asked Mr. David Perlini to discuss the 2003-2005 biennium budget challenges. Mr. Perlini mentioned that the agency was fortunate to be able to continue to make awards based on the methodology SSACI has used over the last several years for next year, the second year of the current biennium. He said that this methodology in effect indexes state awards on tuition increases as well as enrollment expectations for participating schools under a variety of mechanisms.

Mr. Perlini said that the Twenty-first Century Scholars program awards are calculated on current year approved tuition and fees, while the calculations for the HEA and FOC programs as a whole are based on the prior year's tuition and fees.

Mr. Perlini noted that the increases in tuition and fees that have been announced by the public schools average around 15% and that private school increases, while lower percentage-wise than the publics, are substantial nonetheless given that their base tuitions are much higher than the publics.

Mr. Perlini commented that the significant increases at Purdue and Indiana University are going into effect on a staggered bases which means in the out years of SSACI's upcoming budget projections costs are going to escalate very rapidly.

Mr. Perlini said that if the agency were to structure its budgets in the same way, form, and manner as in previous years, then SSACI would be looking at a significant budget challenge. He put this challenge in the context of the most recently approved budget and tax restructuring legislation, which also put a cap on all overall state government spending increases to 3.5% per year. Mr. Perlini speculated that SSACI would need increases of up to 50% over the biennium to keep up with tuition and fee increases under the current awards methodologies, producing a substantial difference between what would be needed and what might be available to the agency.

He said that if SSACI does not receive as much money as our budget request may reflect, then the Commission will have to make significant changes in the way it constructs an award methodology. He mentioned that such changes could include tuition caps or a return to the days when the agency adjusted award amounts differently each year to fit the number of eligible applicants. Mr. Perlini said that the budget presented for the Commission's consideration in September would be based on the current methodology in response to the members expressed support for a budget request based on need.

The Chairman called on Mr. Perlini to introduce a researcher, Glenda Droogsma Musoba from the Indiana Education Policy Center to speak about "Meeting the Access Challenge: Indiana's Twenty-first Century Scholars Program" a report funded by Lumina Foundation for Education and developed under Dr. Edward P. St. John. The official report will be released in August 2002.

Ms. Droogsma Musoba made a brief presentation of the material and provided an overview in-depth assessment of the impact that the Twenty-first Century Scholars program has on the participating students.

Chairman Kiel asked Nick Vesper to update the Commission on the 2001-2002 awards used. Mr. Vesper reported that last year SSACI awarded \$115 million in overall aid to students including the HEA, FOC, Twenty-first Century, Part-time, and National Guard. He said that this represented a 4 ½% increase over last year's total and a 40% increase since 1997-98 (whereas the number of students has gone up about 24%). He stated that the Children of Veterans and Public Safety Officers (CVO) program awarded \$11.5 million in aid and that the average Twenty-first Century Scholars award has increased each year.

At Chairman Kiel's request, Dennis Obergfell gave his Grant Division report. Mr. Obergfell said that awards for the 2002-03 academic year have been mailed to students and schools have been notified accordingly. He noted that the number of students who applied for financial aid and number of students offered aid were up significantly over the previous year.

The Chair called on Pat Moss to update the Commission on the Twenty-first Century Scholars program. Ms. Moss reported that seventy scholars from around the state attended a two-day Scholar Camp at IU-Bloomington on June 28-29, 2002. She said Scholars participated in workshops facilitated by Murray and Associates, National Center for College Costs, that included essay writing, application review, financial aid estimation, and college and career search via computer. Ms. Moss reported that the Office of Twenty-first Century Scholars successfully participated in a federal audit of the state by the Corporation for National Service. She mentioned that the office is preparing for a compliance review by the U.S. Department of Education in August and that end-of-January, 2002 year enrollments and affirmations data will be available for the September commission meeting.

Chairman Kiel asked Mr. Nick Vesper to present R-7-2002.2 regarding the 2002-2003 HEA/FOC schedule of approved tuition and fees. Mr. Vesper referenced the proposed tuition and fees schedule that was included in the Commission member's agenda packet. At a previous meeting the Commission tentatively approved a list of tuition and fees but not the actual tuition for the current year. Chairman Kiel asked Commissioner Betty Martin to read the following resolution:

Be it resolved that the State Student Assistance Commission of Indiana hereby approves the completed Schedule of Approved Tuition and Fees for the 2002-2003 HEA/FOC awards.

Chairman Kiel asked that a motion be made to adopt R-7-2002.2. The motion was moved, seconded and approved unanimously.

Chairman Kiel asked David Perlini to present R-7-2002.3 regarding filing deadline change for the Free Application for Federal Student Aid (FAFSA) from being "postmarked by March 1" to being "received by March 10". Chairman Kiel asked Alfonso Lerma, Jr. to read the following resolution:

Be it resolved that the State Student Assistance Commission of Indiana (SSACI) hereby approves the Free Application for Federal Student Aid (FAFSA) deadline date to be changed from the requirement that an application be postmarked by March 1 to the requirement that an application must be received by March 10 in order to be considered as an on-time filing. The change will be applicable to FAFSA filings after January 1, 2003.

Mr. David Perlini announced that this is Ralph Komaskinski's last meeting and that he has been appointed to the Professional Standards Board. Mr. Komaskinski said he enjoyed his term with the SSACI board and appreciates the work of the staff in providing tuition to those who wish to further their education and better themselves in the state of Indiana. Mr. Ralph Komaskinski also thanked the board for being single-focused with the mission in mind and holding politics aside.

Steve Morris and Mark Franke, co-chairmen for the ISFAA Governmental Relations committee mentioned the federal government's call for comments regarding proposals affecting the funding of Leveraging Educational Assistance Partnership Program (LEAP) and Special Leveraging Educational Assistance Partnership Program (SLEAP) funds. Mr. Morris suggested that the agency expressed the views of the State of Indiana relative to the cuts in the LEAP/SLEAP funds. Mr. Obergfell responded by saying SSACI has expressed its support for LEAP and SLEAP through the National Association of State Student Grant and Aid Programs (NASSGAP) and through the Indiana delegation.

With no further business, a motion was made to adjourn the meeting. The motion was seconded and carried unanimously.

State Student Assistance Commission of Indiana

By _____
Sylvia Kiel, Chairman

By _____
Mike Kennedy, Vice-Chairman